Form (2)

906-F
10.7.2015

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Permit No. 982 /2015 Date 10th ,July 2015

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub-section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. WAI HOI NG

(b) Citizenship CHINESE

(c) Address FLAT B,3/F, BLOCK 8,TAIN JIAO FENGJING GARDEN DONGCHENG AREA, DONGGUAN, PEOPLE'S REPUBLIC OF CHINA

(d) Name and Address of Principal Organization BLOSSOM WEALTH ENTERPRISES LIMITED, BLK C 2/F, HOOVER IND BLDG, 26-38 KWAI CHEONG RD, KWAI CHUNG, N.T., HONG KONG

(e) Place of incorporation HONG KONG

(f) Type of Investment business MANUFACTURING OF GARMENTS ON CMP BASIS

(g) Place(s) at which investment is permitted NO. 35, 36, 37 and 38, WARD NO.13, PLOT NO. P-1, 52 INDUSTRIAL ZONE, PATHEIN TOWNSHIP, AYEYAWADY REGION

(h) Amount of Foreign Capital US $ 7.570 MILLION

(i) Period for Foreign Capital brought in WITHIN TWO YEARS FROM THE DATE OF ISSUANCE OF MYANMAR INVESTMENT COMMISSION'S PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 7.570 MILLION

(k) Construction period TWO YEARS

(l) Validity of investment permit 30 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of Company incorporated in Myanmar MYANMAR KNITTING FACTORY LIMITED

Chairman

The Myanmar Investment Commission

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THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
No.(1), Thitsar Road ,Yankin ,Yangon

Our ref : DICA-3/FI-1148/2015(906-F)
Date : 10th July 2015

Tel: 01- 658128
Fax: 01-658141

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garments on CMP Basis" under the name of "Myanmar Knitting Factory Limited"**

Reference: Myanmar Knitting Factory Limited Letter dated (20-1-2015).

1. The Myanmar Investment Commission, at its meeting (11/2015) held on (19-6-2015), had approved the proposal for investment in "Manufacturing of Garments on CMP Basis" under the name of "Myanmar Knitting Factory Limited" submitted by Blossom Wealth Enterprises Limited (99 %) and Mr. Wai Hoi Ng (1 %) from Hong Kong as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30 (thirty) years and extendable 10 (ten) years in 2 (two) times commencing from the date of the issuance of Myanmar Investment Commission's Permit. The term of the Lease Agreement for land shall be initial 30 (thirty) years and extendable 10 (ten) years in 2 (two) times from the date of signing of this agreement between Delta Industrial Group Company Limited and Myanmar Knitting Factory Limited.

4. The annual rent for the land shall be US $ 18,274.00 (United States Dollar eighteen thousand, two hundred and seventy-four only) calculated at the rate of US $ 0.3954 per square meter per year of the total area of land measuring 11.42 acres (46215.141 square meters). The rate of rent shall be revised every 5(five) years and increase of the rent shall not be more than 10% of the preceding annual rent.

5. In issuing this "Permit," the Commission has granted the following exemptions and reliefs as per Chapter XII, section 27(a), (h), (i) and (k) of Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section 27(h), exemption or relief from customs duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d) As per section 27(k), exemption or relief from commercial tax on the goods produced for export.

6. Myanmar Knitting Factory Limited shall have to sign the Lease Agreement for land with Delta Industrial Group Company Limited. After signing the Agreement, (5) copies of the said Agreement shall have to be forwarded to the Commission.

7. Myanmar Knitting Factory Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation, Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. Myanmar Knitting Factory Limited shall use its best efforts for timely realization of work stated on the proposal. If none of such work has been commenced within one year from the date of issue of this “Permit”, it shall become null and void.

9. Myanmar Knitting Factory Limited has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if the Myanmar Knitting Factory Limited cannot construct completely in time the construction period or extension period, the Commission will have to terminate the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial date of operation shall be reported to the Commission.

13. Myanmar Knitting Factory Limited shall endeavour to meet the targets for production and export stated on the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI, section 24 and section 25 of Foreign Investment Law and Myanmar Knitting Factory Limited has to follow the existing Labour Laws for the recruitment of staffs and labours in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rule 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency.

16. Whenever Myanmar Knitting Factory Limited brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated on paragraph 15(b) mentioned

above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Myanmar Knitting Factory Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Myanmar Knitting Factory Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Myanmar Knitting Factory Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity. It has to prepare, submit and perform activities in accordance with EMP and abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

20. After getting permit from Myanmar Investment Commission, Myanmar Knitting Factory Limited shall have to be registered at the Directorate of Industrial Supervision and Inspection.

21. Myanmar Knitting Factory Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to be undertaken such as water storage tank, fire extinguishers and provide training to use the fire fighting equipment and also to be appointted the fire safety officer.

22. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made from export earning (CMP charges) of Myanmar Knitting Factory Limited.

23. Myanmar Knitting Factory Limited in consultation with Myanma Insurance shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Myanmar Knitting Factory Limited

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Ministry of Home Affairs
3. Ministry of Foreign Affairs
4. Ministry of Environmental Conservation and Forestry
5. Ministry of Electric Power
6. Ministry of Immigration and Population
7. Ministry of Industry
8. Ministry of Commerce
9. Ministry of Finance
10. Ministry of National Planning and Economic Development
11. Ministry of Labour, Employment and Social Security
12. Central Bank of Myanmar
13. Chairman, CMP Enterprises Supervision Committee
14. Office of the Ayeyawady Region Government
15. Director General, Fire Services Department
16. Director General, Department of Environmental Conservation
17. Director General, Immigration and National Registration Department
18. Director General, Directorate of Industrial Supervision and Inspection
19. Director General, Directorate of Trade
20. Director General, Internal Revenue Department
21. Director General, Customs Department
22. Director General, Directorate of Investment and Company Administration

23. Director General, Directorate of Labour
24. Director General , Department of Urban & Housing Development
25. Managing Director, Myanma Electric Power Enterprise
26. Managing Director, Myanma Foreign Trade Bank
27. Managing Director, Myanma Investment and Commercial Bank
28. Managing Director, Myanma Insurance
29. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)